

SENATE BILL No. 469

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-32-15-1; IC 4-33; IC 35-45-5; IC 36-7-11; IC 36-7-11.4

Synopsis: Pull tabs and French Lick riverboat. Authorizes the sale of pari-mutuel pull tabs at race tracks and satellite facilities. Authorizes a riverboat casino for a historic district located in French Lick and West Baden Springs using the riverboat license formerly designated for Patoka Lake. Provides for the ownership and management of the riverboat.

Effective: July 1, 2003.

Lanane

January 21, 2003, read first time and referred to Committee on Rules and Legislative Procedure.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 469

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-31-1-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2003]: Sec. 2. The ~~purpose~~ **purposes** of this
3 article ~~is~~ **are** to:

- 4 (1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~
- 5 (2) **permit the sale of pari-mutuel pull tabs at racetracks and**
- 6 **satellite facilities in Indiana;**
- 7 (3) ensure that ~~the sale of pari-mutuel pull tabs and~~ pari-mutuel
- 8 wagering on horse races in Indiana will be conducted with the
- 9 highest of standards and the greatest level of integrity; **and**
- 10 (4) **maximize and preserve state revenues generated from the**
- 11 **various forms of permitted gaming and wagering by ensuring**
- 12 **that the various forms of permitted gaming and wagering**
- 13 **occur in different geographic regions of the state.**

14 SECTION 2. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE
15 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 2003]: Sec. 11.5. "Pari-mutuel pull tab" means a game offered to
17 the public in which a person who purchases a ticket or simulated



C
o
p
y

1 ticket has the opportunity to share in a prize pool, multiple prize
 2 pools, or a shared prize pool consisting of the total amount
 3 wagered in the game minus deductions by the permit holder selling
 4 the pari-mutuel pull tab and other deductions either permitted or
 5 required by law.

6 SECTION 3. IC 4-31-4-1.3 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.3. (a) This section
 8 does not apply to a person who satisfies all of the following:

9 (1) The person was issued a satellite facility license before
 10 January 2, 1996.

11 (2) The person operated a satellite facility before January 2, 1996.

12 (3) The person is currently operating the satellite facility under
 13 the license.

14 (b) A person may not operate under a satellite facility license unless
 15 both of the following apply:

16 (1) The county fiscal body of the county in which the satellite
 17 facility will be operated has adopted an ordinance under section
 18 2.5 of this chapter.

19 (2) The person secures a license under IC 4-31-5.5.

20 (c) **Notwithstanding any other provision of this article,**
 21 **subsection (b)(1) does not apply to a permit holder who:**

22 (1) **was issued a permit before January 1, 2002; and**

23 (2) **files an application to operate a satellite facility in a county**
 24 **having a consolidated city.**

25 SECTION 4. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A county fiscal body may
 27 adopt an ordinance permitting the filing of applications under
 28 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
 29 in the county. However, before adopting the ordinance, the county
 30 fiscal body must:

31 (1) conduct a public hearing on the proposed ordinance; and

32 (2) publish notice of the public hearing in the manner prescribed
 33 by IC 5-3-1.

34 (b) The county fiscal body may:

35 (1) require in the ordinance adopted by the county fiscal body that
 36 before applications under IC 4-31-5 to conduct pari-mutuel
 37 wagering on horse races at racetracks in the county may be filed,
 38 the voters of the county must approve the conducting of horse
 39 racing meetings in the county under section 3 of this chapter; or

40 (2) amend an ordinance already adopted by the county fiscal body
 41 to require that before applications under IC 4-31-5 to conduct
 42 pari-mutuel wagering on horse races at racetracks in the county

C
O
P
Y



may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 5. IC 4-31-4-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who was issued a license under IC 4-31-5.5 before the ordinance was amended.

(c) Notwithstanding any other provision of this article, this section does not apply to a permit holder who:

- (1) was issued a permit before January 1, 2002; and**
- (2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 6. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS

C
O
P
Y



[EFFECTIVE JULY 1, 2003]: Sec. 3. (a) This section does not apply to either of the following:

(1) A permit holder who satisfies all of the following:

(A) The permit holder was issued a permit before January 2, 1996.

(B) The permit holder conducted live racing before January 2, 1996.

(C) The permit holder is currently operating under the permit.

(2) A person who satisfies all of the following:

(A) The person was issued a satellite facility license before January 2, 1996.

(B) The person operated a satellite facility before January 2, 1996.

(C) The person is currently operating the satellite facility under the license.

(b) This section applies if either of the following apply:

(1) Both of the following are satisfied:

(A) An ordinance is adopted under section 2 or 2.5 of this chapter.

(B) The ordinance requires the voters of the county to approve either of the following:

(i) The conducting of horse racing meetings in the county.

(ii) The operation of a satellite facility in the county.

(2) A local public question is required to be held under section 2.7 of this chapter following the filing of a petition with the circuit court clerk:

(A) signed by at least the number of registered voters of the county required under IC 3-8-6-3 to place a candidate on the ballot; and

(B) requesting that the local public question set forth in subsection (d) be placed on the ballot.

(c) Notwithstanding any other provision of this article, the commission may not issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting of a horse racing meeting unless the voters of the county in which the property is located have approved conducting recognized meetings in the county.

(d) For a local public question required to be held under subsection (c), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall horse racing meetings at which pari-mutuel wagering occurs be allowed in _____ County?"

C
O
P
Y



(e) Notwithstanding any other provision of this article, the commission may not issue a satellite facility license under IC 4-31-5.5 to operate a satellite facility unless the voters of the county in which the satellite facility will be located approve the operation of the satellite facility in the county.

(f) For a local public question required to be held under subsection (e), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in _____ County?"

(g) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9.

(h) The circuit court clerk of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(i) If a public question is placed on the ballot under subsection (d) or (f) in a county and the voters of the county do not vote in favor of the public question, a second public question under that subsection may not be held in the county for at least two (2) years. If the voters of the county vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the county until the general election held during the tenth year following the year of the previous public question held under that subsection.

(j) Notwithstanding any other provision of this article, this section does not apply to a permit holder who:

- (1) was issued a permit before January 1, 2002; and**
- (2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 7. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

- (1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;
- (2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;
- (3) a statement from the county treasurer of the county in which

C
o
p
y



the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and

(4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.

SECTION 8. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. **Except as provided in IC 4-31-7.5**, any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

SECTION 9. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) The commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and

(B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to

C
o
p
y



conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

(6) Not more than one (1) license may be issued to each permit holder to operate a satellite facility located in a county having a consolidated city. The maximum number of licenses that the commission may issue for satellite facilities to be located in a county having a consolidated city is two (2) licenses.

SECTION 10. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

(1) Live simulcasts of horse racing conducted at the permit

C
O
P
Y



holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.

(2) Construction or leasing of satellite wagering facilities.

(3) Sale of food and beverages.

(4) Advertising and promotion.

(5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**

(6) All other related activities.

SECTION 11. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to authorize the permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit the permit holder from operating a satellite facility on the real property.**

SECTION 12. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 13. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

C
o
p
y



(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

(d) A person less than twenty-one (21) years of age may not enter the part of a satellite facility or racetrack in which pari-mutuel pull tabs are sold and redeemed.

SECTION 14. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 7.5. Pari-Mutuel Pull Tabs

Sec. 1. (a) This chapter applies only to the sale of pari-mutuel pull tabs by a person that holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Sec. 2. The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter.

Sec. 3. (a) The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

(1) an approval process for pari-mutuel pull tab games that requires periodic testing of the games and equipment by an independent entity under the oversight of the commission to ensure the integrity of the games to the public;

(2) a system of internal audit controls;

(3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;

(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and

(6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

(b) The Indiana gaming commission may enter into a contract

C
o
p
y



with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 4. (a) The Indiana gaming commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this chapter at the locations described in section 9 of this chapter.

(b) Before issuing a license to a permit holder under this section, the Indiana gaming commission shall subject the permit holder to a background investigation similar to a background investigation required of an applicant for a riverboat owner's license under IC 4-33-6.

(c) An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license. Unless the pari-mutuel pull tab license is terminated or is revoked, the pari-mutuel pull tab license may be renewed annually thereafter upon:

- (1) the payment of an annual renewal fee determined by the Indiana gaming commission; and
- (2) a determination by the Indiana gaming commission that the licensee satisfies the conditions of this chapter.

(d) A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine that the permit holder remains in compliance with this article.

(e) Notwithstanding subsection (d), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(f) The permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

Sec. 5. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all the commission's costs of administering the pari-mutuel pull tab games.

Sec. 6. A pari-mutuel pull tab game must be conducted in the following manner:

- (1) Each set of tickets must have a predetermined:
 - (A) total purchase price; and
 - (B) amount of prizes.
- (2) Randomly ordered pari-mutuel pull tab tickets may be distributed from an approved location or from a distribution device to:

C
o
p
y



(A) the permit holder at the permit holder's racetrack or satellite facility, or both; or

(B) a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.

(3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.

(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 7. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

Sec. 8. The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

Sec. 9. The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to the following locations:

(1) A live pari-mutuel horse racing facility licensed under this article.

(2) A satellite facility located in a county containing a consolidated city.

Sec. 10. A permit holder may not install more than seven hundred (700) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility or satellite facility.

Sec. 11. The number and amount of the prizes in a pari-mutuel pull tab game must be finite but may not be limited.

Sec. 12. A list of prizes for winning pari-mutuel pull tab tickets must be posted or displayed at a location where the tickets are sold.

Sec. 13. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 14. A terminal or device selling pari-mutuel pull tab tickets may be operated by a player without the assistance of the permit holder for the sale and redemption of pari-mutuel pull tab tickets.

Sec. 15. A terminal or device selling pari-mutuel pull tab tickets may not dispense coins or currency as prizes for winning tickets.

C
o
p
y



1 Prizes awarded by a terminal or device must be in the form of
 2 credits for additional play or certificates redeemable for cash or
 3 prizes.

4 Sec. 16. All shipments of gambling devices, including
 5 pari-mutuel pull tab machines, to permit holders in Indiana, the
 6 registering, recording, and labeling of which have been completed
 7 by the manufacturer or dealer in accordance with 15 U.S.C. 1171
 8 through 15 U.S.C. 1178, are legal shipments of gambling devices
 9 into Indiana.

10 Sec. 17. Under 15 U.S.C. 1172, approved January 2, 1951, the
 11 state of Indiana, acting by and through elected and qualified
 12 members of the general assembly, declares that the state is exempt
 13 from 15 U.S.C. 1172.

14 SECTION 15. IC 4-31-9-1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A person that holds
 16 a permit to conduct a horse racing meeting or a license to operate a
 17 satellite facility shall withhold:

18 (1) eighteen percent (18%) of the total of money wagered on each
 19 day at the racetrack or satellite facility (including money wagered
 20 on exotic wagering pools **but excluding money wagered on**
 21 **pari-mutuel pull tabs under IC 4-31-7.5**); plus

22 (2) an additional three and one-half percent (3.5%) of the total of
 23 all money wagered on exotic wagering pools on each day at the
 24 racetrack or satellite facility.

25 SECTION 16. IC 4-32-15-1 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. An excise tax is
 27 imposed on the distribution of pull tabs (**excluding pari-mutuel pull**
 28 **tabs under IC 4-31-7.5**), punchboards, and tip boards in the amount
 29 of ten percent (10%) of the wholesale price for the pull tabs,
 30 punchboards, and tip boards.

31 SECTION 17. IC 4-33-1-1 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. This article applies
 33 only to the following:

- 34 (1) Counties contiguous to Lake Michigan.
 35 (2) Counties contiguous to the Ohio River.
 36 (3) ~~Counties contiguous to Patoka Lake.~~ **A historic district that:**
 37 **(A) is established under IC 36-7-11;**
 38 **(B) is located in a county having a population of more than**
 39 **nineteen thousand three hundred (19,300) but less than**
 40 **twenty thousand (20,000); and**
 41 **(C) consists solely of the real property owned by the**
 42 **historic resort hotels located in:**

C
o
p
y



- (i) a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200); and
- (ii) a town having a population of less than one thousand five hundred (1,500).

SECTION 18. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11.5. "Historic resort hotel" means a structure originally built as a hotel that contained at least three hundred (300) sleeping rooms on or before January 1, 1930.**

SECTION 19. IC 4-33-2-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 13.5. "Licensed operating agent" means a person licensed under IC 4-33-6.5 to operate a riverboat in a historic district described in IC 4-33-1-1(3) on behalf of the district's historic preservation commission.**

SECTION 20. IC 4-33-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 14.5. "Operating agent's license" means a license issued under IC 4-33-6.5 that allows a person to operate a riverboat in a historic district described in IC 4-33-1-1(3) on behalf of the district's historic preservation commission.**

SECTION 21. IC 4-33-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16. "Person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, a historic district, or any other business entity.**

SECTION 22. IC 4-33-2-16.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth in IC 4-31-2-11.5.**

SECTION 23. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 17. "Riverboat" means either of the following on which lawful gambling is authorized under this article:**

- (1) A self-propelled ~~excursion~~ boat located in a county described in ~~IC 4-33-1-1~~ on which lawful gambling is authorized and licensed under this article: **IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).**
- (2) A vessel located in a historic district described in **IC 4-33-1-1(3).**

SECTION 24. IC 4-33-4-2 IS AMENDED TO READ AS

C
o
p
y



FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.

~~(4) With respect to riverboats that operate on Patoka Lake, ensuring:~~

~~(A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and~~

~~(B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.~~

~~(5)~~ (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.

~~(6)~~ (5) Imposing penalties for noncriminal violations of this article.

(6) Establishing ethical standards regulating the conduct of members of a historic preservation commission established under IC 36-7-11-4.5 with regard to the selection and licensure of an operating agent to operate a riverboat in a historic district described in IC 4-33-1-1(3).

(7) Establishing the conditions under which the sale, purchase, and redemption of pari-mutuel pull tabs may be conducted under IC 4-31-7.5.

SECTION 25. IC 4-33-4-3, AS AMENDED BY P.L.14-2000, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The commission shall do the following:

(1) Adopt rules that the commission determines necessary to protect or enhance the following:

(A) The credibility and integrity of gambling operations authorized by this article.

(B) The regulatory process provided in this article.

~~(C) The natural environment and scenic beauty of Patoka Lake.~~

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.



(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

~~(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:~~

~~(i) IC 14-26-2-6.~~

~~(ii) IC 14-26-2-7.~~

~~(iii) IC 14-28-1.~~

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 26. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) **This section does not apply to a riverboat located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

~~(b)~~ (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those

C
o
p
y



waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 27. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 28. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The commission may issue to a person a license to own one (1) riverboat subject to the numerical and geographical limitation of owner's licenses under this section and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The

C
o
p
y



commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates ~~upon Patoka Lake from a county in a historic district~~ described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 29. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee. **However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this subsection.**

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for an owner's license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the owner's license.

(d) The costs of investigating an applicant for an owner's license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for an owner's license under this chapter must pay all additional costs that are:

(1) associated with the investigation of the applicant; and

(2) greater than the amount of the application fee paid by the applicant.

(f) The commission shall recoup all the costs associated with investigating or reinvestigating an applicant that is a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation

C
o
p
y



1 **commission's licensed operating agent.**

2 SECTION 30. IC 4-33-6-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. **(a) This section**
4 **does not apply to a riverboat located in a historic district described**
5 **in IC 4-33-1-1(3).**

6 **(b)** In an application for an owner's license, the applicant must state
7 the dock at which the riverboat is based and the navigable waterway on
8 which the riverboat will operate.

9 SECTION 31. IC 4-33-6-6 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) A riverboat that
11 operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2)
12 must:

13 (1) have a valid certificate of inspection from the United States
14 Coast Guard for the carrying of at least five hundred (500)
15 passengers; and

16 (2) be at least one hundred fifty (150) feet in length.

17 **(b)** A riverboat that operates ~~on Patoka Lake~~ **in a historic district**
18 **described under IC 4-33-1-1(3)** must:

19 (1) have the capacity to carry at least five hundred (500)
20 passengers;

21 (2) be at least one hundred fifty (150) feet in length; and

22 (3) meet safety standards required by the commission.

23 **(c)** This subsection applies only to a riverboat that operates on the
24 Ohio River. A riverboat must replicate, as nearly as possible, historic
25 Indiana steamboat passenger vessels of the nineteenth century.
26 However, steam propulsion or overnight lodging facilities are not
27 required under this subsection.

28 SECTION 32. IC 4-33-6-8 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If the commission
30 determines that a person is eligible under this chapter for an owner's
31 license, the commission may issue an owner's license to the person if:

32 (1) the person pays an initial license fee of twenty-five thousand
33 dollars (\$25,000); and

34 (2) the person posts a bond as required in section 9 of this
35 chapter.

36 **However, the historic district described in IC 4-33-1-1(3) or a**
37 **member of the district's historic preservation commission is not**
38 **required to pay the fee charged under this section.**

39 SECTION 33. IC 4-33-6-9, AS AMENDED BY P.L.192-2002(ss),
40 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2003]: Sec. 9. (a) **Except as provided in subsection (l),** a
42 licensed owner must post a bond with the commission at least sixty

C
O
P
Y



(60) days before the commencement of gambling on the riverboat.

(b) The bond shall be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and

(3) must be payable to the commission as obligee for use in payment of the licensed owner's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed owner's bond is insufficient, the licensed owner shall upon written demand of the commission file a new bond.

(f) The commission may require a licensed owner to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

C
o
p
y



(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

(l) The historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to post the bond required under this section.

SECTION 34. IC 4-33-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) Unless the owner's license is terminated, expires, or is revoked, the owner's license may be renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee satisfies the conditions of this article.

However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this section.

(b) A licensed owner shall undergo a complete investigation every three (3) years to determine that the licensed owner remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate a licensed owner at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The licensed owner shall bear the cost of an investigation or reinvestigation of the licensed owner and any investigation resulting from a potential transfer of ownership.

(e) The commission shall recoup all of the costs associated with investigating or reinvestigating a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.

SECTION 35. IC 4-33-6-19 IS AMENDED TO READ AS

C
o
p
y



FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. (a) This section applies to:

- (1) a county contiguous to the Ohio River; **and**
- ~~(2) a county contiguous to Patoka Lake; and~~
- ~~(3)~~ **(2)** a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next general election:

"Shall licenses be issued to permit riverboat gambling in ____ County?"

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

SECTION 36. IC 4-33-6-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 19.5. (a) This section applies to a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) The commission may issue only one (1) license under this

C
o
p
y



article to allow a riverboat to operate in the county within a historic district established under IC 36-7-11.

(c) The commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of:

(1) a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in the county; and

(2) a town having a population of less than one thousand five hundred (1,500) located in the county;

have approved gambling on riverboats in the county.

(d) If at least the number of registered voters of the town required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the clerk of the circuit court requesting that a local public question concerning riverboat gambling be placed on the ballot, the county election board shall place the following question on the ballot in the town described in subsection (c) during the next primary or general election or a special election held under this section:

"Shall a license be issued to allow riverboat gambling in the town of _____?"

(e) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9.

(f) If a public question is placed on the ballot under this section and the voters of the town do not vote in favor of allowing riverboat gambling under IC 4-33, another public question regarding riverboat gambling may not be held in the town for at least two (2) years.

(g) In a special election held under this section:

(1) IC 3 applies, except as otherwise provided in this section; and

(2) at least as many precinct polling places as were used in the towns described in subsection (c) during the most recent municipal election must be used for the special election.

(h) The clerk of the circuit court of a county holding an election under this section shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

SECTION 37. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 6.5. Riverboat Operating Agent's License

Sec. 1. This chapter applies only to a riverboat operated under a license described in IC 4-33-6-1(a)(6).



C
O
P
Y

1 **Sec. 2. (a)** A person applying for an operating agent's license
 2 under this chapter must pay a nonrefundable application fee to the
 3 commission. The commission shall determine the amount of the
 4 application fee.

5 **(b)** An applicant must submit the following on forms provided
 6 by the commission:

7 **(1)** If the applicant is an individual, two (2) sets of the
 8 individual's fingerprints.

9 **(2)** If the applicant is not an individual, two (2) sets of
 10 fingerprints for each officer and director of the applicant.

11 **(c)** The commission shall review the applications for a license
 12 under this chapter and shall inform each applicant of the
 13 commission's decision concerning the issuance of the license.

14 **(d)** The costs of investigating an applicant for a license under
 15 this chapter shall be paid from the application fee paid by the
 16 applicant.

17 **(e)** An applicant for a license under this chapter must pay all
 18 additional costs that are:

19 **(1)** associated with the investigation of the applicant; and

20 **(2)** greater than the amount of the application fee paid by the
 21 applicant.

22 **Sec. 3.** The commission may not issue an operating agent's
 23 license under this chapter to a person if:

24 **(1)** the person has been convicted of a felony under Indiana
 25 law, the laws of any other state, or the laws of the United
 26 States;

27 **(2)** the person has knowingly or intentionally submitted a
 28 application for a license under this chapter that contains false
 29 information;

30 **(3)** the person is a member of the commission;

31 **(4)** the person is an officer, a director, or a managerial
 32 employee of a person described in subdivision (1) or (2);

33 **(5)** the person employs an individual who:

34 **(A)** is described in subdivision (1), (2), or (3); and

35 **(B)** participates in the management or operation of
 36 gambling operations authorized under this article;

37 **(6)** the person owns an ownership interest of more than ten
 38 percent (10%) in another person holding an owner's license
 39 issued under this article; or

40 **(7)** a license issued to the person:

41 **(A)** under this article; or

42 **(B)** to own or operate gambling facilities in another

C
O
P
Y



1 jurisdiction;
2 has been revoked.

3 **Sec. 4. In determining whether to grant an operating agent's**
4 **license to an applicant, the commission shall consider the**
5 **following:**

6 (1) The character, reputation, experience, and financial
7 integrity of the following:

8 (A) The applicant.

9 (B) A person that:

10 (i) directly or indirectly controls the applicant; or

11 (ii) is directly or indirectly controlled by the applicant or
12 by a person that directly or indirectly controls the
13 applicant.

14 (2) The facilities or proposed facilities for the conduct of
15 riverboat gambling in a historic district described in
16 IC 4-33-1-1(3).

17 (3) The highest prospective total revenue to be collected by the
18 state from the conduct of riverboat gambling.

19 (4) The good faith affirmative action plan of each applicant to
20 recruit, train, and upgrade minorities in all employment
21 classifications.

22 (5) The financial ability of the applicant to purchase and
23 maintain adequate liability and casualty insurance.

24 (6) If the applicant has adequate capitalization to operate a
25 riverboat for the duration of the license.

26 (7) The extent to which the applicant exceeds or meets other
27 standards adopted by the commission.

28 **Sec. 5. If the commission determines that a person is eligible**
29 **under this chapter for an operating agent's license, the commission**
30 **may issue an operating agent's license to the person if:**

31 (1) the person pays an initial license fee of twenty-five
32 thousand dollars (\$25,000); and

33 (2) the person posts a bond as required in section 6 of this
34 chapter.

35 **Sec. 6. (a) A licensed operating agent must post a bond with the**
36 **commission at least sixty (60) days before the commencement of**
37 **regular riverboat operations in the historic district described in**
38 **IC 4-33-1-1(3).**

39 (b) The bond shall be furnished in:

40 (1) cash or negotiable securities;

41 (2) a surety bond:

42 (A) with a surety company approved by the commission;

C
O
P
Y



- 1 and
- 2 (B) guaranteed by a satisfactory guarantor; or
- 3 (3) an irrevocable letter of credit issued by a banking
- 4 institution of Indiana acceptable to the commission.
- 5 (c) If a bond is furnished in cash or negotiable securities, the
- 6 principal shall be placed without restriction at the disposal of the
- 7 commission, but income inures to the benefit of the licensee.
- 8 (d) The bond:
- 9 (1) is subject to the approval of the commission; and
- 10 (2) must be payable to the commission as obligee for use in
- 11 payment of the riverboat's financial obligations to the local
- 12 community, the state, and other aggrieved parties, as
- 13 determined by the rules of the commission.
- 14 (e) If, after a hearing (after at least five (5) days written notice),
- 15 the commission determines that the amount of a licensed operating
- 16 agent's bond is insufficient, the operating agent shall, upon written
- 17 demand of the commission, file a new bond.
- 18 (f) The commission may require a licensed operating agent to
- 19 file a new bond with a satisfactory surety in the same form and
- 20 amount if:
- 21 (1) liability on the old bond is discharged or reduced by
- 22 judgment rendered, payment made, or otherwise; or
- 23 (2) in the opinion of the commission any surety on the old
- 24 bond becomes unsatisfactory.
- 25 (g) If a new bond obtained under subsection (e) or (f) is
- 26 unsatisfactory, the commission shall cancel the operating agent's
- 27 license. If the new bond is satisfactorily furnished, the commission
- 28 shall release in writing the surety on the old bond from any liability
- 29 accruing after the effective date of the new bond.
- 30 (h) A bond is released on the condition that the licensed
- 31 operating agent remains at the site of the riverboat operating
- 32 within a historic district:
- 33 (1) for five (5) years; or
- 34 (2) until the date the commission grants a license to another
- 35 operating agent to operate from the site for which the bond
- 36 was posted;
- 37 whichever occurs first.
- 38 (i) An operating agent who does not meet the requirements of
- 39 subsection (h) forfeits a bond filed under this section. The proceeds
- 40 of a bond that is in default under this subsection are paid to the
- 41 commission for the benefit of the local unit from which the
- 42 riverboat operated.

C
O
P
Y



(j) The total liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

- (1) the time specified under subsection (h); and
- (2) a written request is submitted by the operating agent.

Sec. 7. (a) Unless the operating agent's license is terminated, expires, or is revoked, the operating agent's license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and
- (2) a determination by the commission that the licensee satisfies the conditions of this article.

(b) An operating agent shall undergo a complete investigation every three (3) years to determine that the operating agent remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate an operating agent at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The operating agent shall bear the cost of an investigation or a reinvestigation of the operating agent.

Sec. 8. A license issued under this chapter permits the holder to operate a riverboat on behalf of the licensed owner of the riverboat.

Sec. 9. An operating agent licensed under this chapter is charged with all the duties imposed upon a licensed owner under this article, including the collection and remission of taxes under IC 4-33-12 and IC 4-33-13.

SECTION 38. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 7.5. Pari-Mutuel Pull Tab Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

- (1) the person has:
 - (A) applied for the supplier's license;
 - (B) paid a nonrefundable application fee set by the commission;

C
o
p
y



(C) paid a five thousand dollar (\$5,000) annual license fee;
and

(D) submitted on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the
individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of
fingerprints for each officer and director of the
applicant; and

(2) the commission has determined that the applicant is
eligible for a supplier's license.

Sec. 2. (a) A person holding a supplier's license may sell, lease,
and contract to sell or lease pari-mutuel pull tab terminals and
devices to a permit holder authorized to sell and redeem
pari-mutuel pull tab tickets under IC 4-31-7.5.

(b) Pari-mutuel pull tab terminals and devices may not be
distributed unless the terminals and devices conform to standards
adopted by the commission.

Sec. 3. A person may not receive a supplier's license if:

(1) the person has been convicted of a felony under Indiana
law, the laws of any other state, or the laws of the United
States;

(2) the person has knowingly or intentionally submitted an
application for a license under this chapter that contains false
information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial
employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of
gambling operations authorized under this article;

(6) the person owns more than a ten percent (10%) ownership
interest in any other person holding a permit issued under
IC 4-31; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;
has been revoked.

Sec. 4. A person may not furnish pari-mutuel pull tab terminals
or devices to a permit holder unless the person possesses a
supplier's license.

Sec. 5. (a) A supplier shall furnish to the commission a list of all

C
O
P
Y



1 pari-mutuel pull tab terminals and devices offered for sale or lease
 2 in connection with the sale of pari-mutuel pull tab tickets
 3 authorized under IC 4-31-7.5.

4 (b) A supplier shall keep books and records for the furnishing
 5 of pari-mutuel pull tab terminals and devices to permit holders
 6 separate from books and records of any other business operated by
 7 the supplier.

8 (c) A supplier shall file a quarterly return with the commission
 9 listing all sales and leases.

10 (d) A supplier shall permanently affix the supplier's name to all
 11 the supplier's pari-mutuel pull tab terminals or devices provided
 12 to permit holders under this chapter.

13 Sec. 6. A supplier's pari-mutuel pull tab terminals or devices
 14 that are used by a person in an unauthorized gambling operation
 15 shall be forfeited to the state.

16 Sec. 7. Pari-mutuel pull tab terminals and devices that are
 17 provided by a supplier may be:

18 (1) repaired on the premises of a racetrack or satellite facility;
 19 or

20 (2) removed for repair from the premises of a permit holder
 21 to a facility owned by the permit holder.

22 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is
 23 revoked, the supplier's license may be renewed annually upon:

24 (1) the payment of a five thousand dollar (\$5,000) annual
 25 renewal fee; and

26 (2) a determination by the commission that the licensee is in
 27 compliance with this article.

28 (b) The holder of a supplier's license shall undergo a complete
 29 investigation every three (3) years to determine that the licensee is
 30 in compliance with this article.

31 (c) Notwithstanding subsection (b), the commission may
 32 investigate the holder of a supplier's license at any time the
 33 commission determines it is necessary to ensure that the licensee is
 34 in compliance with this article.

35 (d) The holder of a supplier's license shall bear the cost of an
 36 investigation or reinvestigation of the licensee and any
 37 investigation resulting from a potential transfer of ownership.

38 SECTION 39. IC 4-33-10-1, AS AMENDED BY P.L.192-2002(ss),
 39 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2003]: Sec. 1. (a) A person who knowingly or intentionally:

41 (1) makes a false statement on an application submitted under this
 42 article;

C
O
P
Y



(2) operates a gambling operation or a cruise in which wagering is conducted or is to be conducted in a manner other than the manner required under this article;

(3) permits a person less than twenty-one (21) years of age to make a wager;

(4) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of the riverboat gambling operation to enter or attempt to enter a riverboat;

(5) wagers or accepts a wager at a location other than a riverboat;
or

(6) makes a false statement on an application submitted to the commission under this article **or IC 4-31-7.5; or**

(7) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31-7.5 to enter or attempt to enter the pari-mutuel pull tab operation;

commits a Class A misdemeanor.

(b) A person who:

(1) is not an employee of the riverboat gambling operation;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters or attempts to enter a riverboat;

commits a Class A misdemeanor.

(c) A person who:

(1) is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters the pari-mutuel pull tab operation;

commits a Class A misdemeanor.

SECTION 40. IC 4-33-10-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) This section applies only to property given after June 30, 1996.

(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "license" means:

(1) an owner's license issued under this article; or

(2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment.

(d) As used in this section, "licensee" means a person who holds a license.

C
o
p
y



(e) As used in this section, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

(f) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the licensee.

(2) The person is an officer of the licensee.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.

(4) The person is a political action committee of the licensee.

(g) A licensee or a person with an interest in a licensee may not give any property (as defined in IC 35-41-1-23) to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question under IC 4-33-6-19 or **IC 4-33-6-19.5**.

(h) A person who knowingly or intentionally violates this section commits a Class D felony.

SECTION 41. IC 4-33-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 16. Gambling Operations in a Historic District

Sec. 1. This chapter applies only to a historic district described in IC 4-33-1-1(3) and established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "district" refers to the historic district established under IC 36-7-11-4.5.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission established under IC 36-7-11-4.5.

Sec. 4. As used in this chapter, "operating expenses" means the following:

(1) Money spent by the historic preservation commission in the exercise of the historic preservation commission's powers under this article, IC 36-7-11-23, and IC 36-7-11-24, as limited by section 5 of this chapter.

(2) Management fees paid to the riverboat's licensed operating agent.

Sec. 5. A riverboat authorized under this article for a historic district described in IC 4-33-1-1(3) must be located on real

C
o
p
y



property located in the district between the two (2) historic resort hotels.

Sec. 6. The commission shall grant an owner's license to the historic preservation commission upon the fulfillment of the following requirements:

(1) Riverboat gaming is approved in a public question under IC 4-33-6-19.5.

(2) The commission completes the investigations required under IC 4-33-6.

Sec. 7. The historic preservation commission shall contract with another person to operate a riverboat located in the district. The person must be a licensed operating agent under IC 4-33-6.5.

Sec. 8. The net income derived from the riverboat after the payment of all operating expenses shall be deposited in the community trust fund established by IC 36-7-11.4-4.

Sec. 9. (a) As used in this section, "electronic gaming device" has the meaning set forth in 68 IAC 1-1-29.

(b) As used in this section, "live gaming device" has the meaning set forth in 68 IAC 1-1-59.

(c) The licensed owner of a riverboat located in the historic district may not install more than seven hundred fifty (750) electronic gaming devices on board the riverboat.

(d) This section does not limit the number of live gaming devices that the licensed owner may install on board the riverboat.

Sec. 10. The licensed owner of a riverboat located in the historic district shall implement flexible scheduling.

SECTION 42. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~

(2) a game of chance operated in accordance with IC 4-32; **or**

(3) a pari-mutuel pull tab game operated in accordance with IC 4-31-7.5.

SECTION 43. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. This chapter does not apply to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

SECTION 44. IC 36-7-11-4.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.3. (a) An ordinance that establishes a historic preservation commission under section 4 **or**



C
o
p
y

1 **4.5** of this chapter may authorize the staff of the commission, on behalf
 2 of the commission, to grant or deny an application for a certificate of
 3 appropriateness.

4 (b) An ordinance adopted under this section must specify the types
 5 of applications that the staff of the commission is authorized to grant
 6 or deny. The staff may not be authorized to grant or deny an application
 7 for a certificate of appropriateness for the following:

- 8 (1) The demolition of a building.
- 9 (2) The moving of a building.
- 10 (3) The construction of an addition to a building.
- 11 (4) The construction of a new building.

12 **SECTION 45. IC 36-7-11-4.5 IS ADDED TO THE INDIANA**
 13 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 14 **[EFFECTIVE JULY 1, 2003]: Sec. 4.5. (a) This section applies to the**
 15 **following towns located in a county having a population of more**
 16 **than nineteen thousand three hundred (19,300) but less than**
 17 **twenty thousand (20,000):**

- 18 (1) A town having a population of more than one thousand
- 19 five hundred (1,500) but less than two thousand two hundred
- 20 (2,200).
- 21 (2) A town having a population of less than one thousand five
- 22 hundred (1,500).

23 (b) The towns described in subsection (a) may enter into an
 24 interlocal agreement under IC 36-1-7 to establish a joint historic
 25 district under this chapter. An ordinance entering into the
 26 interlocal agreement must provide for the following membership
 27 of a joint historic preservation commission to administer the joint
 28 historic district:

- 29 (1) A member of the town council of a town described in
- 30 subsection (a)(1).
- 31 (2) A member of the town council of a town described in
- 32 subsection (a)(2).
- 33 (3) The owner of a historic resort hotel located in a town
- 34 described in subsection (a)(1) or the owner's designee.
- 35 (4) The owner of a historic resort hotel located in a town
- 36 described in subsection (a)(2) or the owner's designee.
- 37 (5) An individual appointed by the Historic Landmarks
- 38 Foundation of Indiana, Inc.
- 39 (6) An individual who resides in the county described in
- 40 subsection (a) appointed by the town council of a town
- 41 described in subsection (a)(1).
- 42 (7) An individual who resides in the county described in



C
o
p
y

1 subsection (a) appointed by the town council of a town
2 described in subsection (a)(2).

3 The members described in subdivisions (1) and (2) shall be
4 appointed by the town councils of the respective towns.

5 (c) A member of the commission described in subsection (b)(1)
6 or (b)(2) shall serve for the duration of the member's term of office
7 on the town council. The members described in subsection (b)(5)
8 through (b)(7) shall each serve for a term of three (3) years.
9 However, the terms of the original voting members may be for one
10 (1) year, two (2) years, or three (3) years in order for the terms to
11 be staggered, as provided by the ordinance. A vacancy shall be
12 filled for the duration of the term by the original appointing
13 authority.

14 (d) The ordinance may provide qualifications for members of
15 the commission described in subsection (b)(6) and (b)(7). In
16 addition, the members appointed under subsection (b)(6) and (b)(7)
17 must be residents of the respective towns that are interested in the
18 preservation and development of historic areas. The members of
19 the commission should include professionals in the disciplines of
20 architectural history, planning, and other disciplines related to
21 historic preservation, to the extent that those professionals are
22 available in the community. The ordinance may also provide for
23 the appointment of advisory members that the legislative body
24 considers appropriate.

25 (e) Each member of the commission must, before beginning the
26 discharge of the duties of the member's office, do the following:

27 (1) Take an oath that the member will faithfully execute the
28 duties of the member's office according to Indiana law and
29 rules adopted under Indiana law.

30 (2) Provide a bond to the state that:

31 (A) is approved by the Indiana gaming commission;

32 (B) is for twenty-five thousand dollars (\$25,000); and

33 (C) is, after being executed and approved, recorded in the
34 office of the secretary of state.

35 (f) The ordinance may:

36 (1) designate an officer or employee of a town described in
37 subsection (a) to act as administrator;

38 (2) permit the commission to appoint an administrator who
39 shall serve without compensation except reasonable expenses
40 incurred in the performance of the administrator's duties; or

41 (3) provide that the commission act without the services of an
42 administrator.

C
o
p
y



1 (g) Members of the commission shall serve without
2 compensation except for reasonable expenses incurred in the
3 performance of their duties.

4 (h) The commission shall elect from its membership a
5 chairperson and vice chairperson, who shall serve for one (1) year
6 and may be reelected.

7 (i) The commission shall adopt rules consistent with this chapter
8 for the transaction of its business. The rules must include the time
9 and place of regular meetings and a procedure for the calling of
10 special meetings. All meetings of the commission must be open to
11 the public, and a public record of the commission's resolutions,
12 proceedings, and actions must be kept. If the commission has an
13 administrator, the administrator shall act as the commission's
14 secretary. If the commission does not have an administrator, the
15 commission shall elect a secretary from its membership.

16 (j) The commission shall hold regular meetings, at least
17 monthly, except when it has no business pending.

18 (k) A decision of the commission is subject to judicial review
19 under IC 4-21.5-5 as if it were a decision of a state agency.

20 (l) Money acquired by the historic preservation commission:

21 (1) is subject to the laws concerning the deposit and
22 safekeeping of public money; and

23 (2) must be deposited under the advisory supervision of the
24 state board of finance in the same way and manner, at the
25 same rate of interest, and under the same restrictions as other
26 state money.

27 (m) The money of the historic preservation commission and the
28 accounts of each officer, employee, or other person entrusted by
29 law with the raising, disposition, or expenditure of the money or
30 part of the money are subject to the following:

31 (1) Examination by the state board of accounts.

32 (2) The same penalties and the same provisions for publicity
33 that are provided by law for state money and state officers.

34 SECTION 46. IC 36-7-11-4.6 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.6. An ordinance that
36 establishes a historic preservation commission under section 4 or 4.5
37 of this chapter may:

38 (1) authorize the commission to:

39 (A) acquire by purchase, gift, grant, bequest, devise, or lease
40 any real or personal property, including easements, that is
41 appropriate for carrying out the purposes of the commission;

42 (B) hold title to real and personal property; and

C
o
p
y



(C) sell, lease, rent, or otherwise dispose of real and personal property at a public or private sale on the terms and conditions that the commission considers best; and

(2) establish procedures that the commission must follow in acquiring and disposing of property.

SECTION 47. IC 36-7-11-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 23. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.**

(b) In addition to the commission's other duties set forth in this chapter, the commission shall do the following:

(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns described in section 4.5(a) of this chapter.

(2) Employ professional staff to assist the commission in carrying out its duties under this section.

(3) Engage consultants, attorneys, accountants, and other professionals necessary to carry out the commission's duties under this section.

(4) Own the riverboat license described in IC 4-33-6-1(a)(6).

(5) Develop requests for proposals for persons interested in operating and managing the riverboat authorized under IC 4-33 on behalf of the commission as the riverboat's licensed operating agent.

(6) Recommend a person to the Indiana gaming commission that the historic preservation commission believes will:

(A) promote the most economic development in the area surrounding the historic district;

(B) best meet the criteria set forth in IC 4-33-6-4; and

(C) best serve the interests of the citizens of Indiana.

However, the Indiana gaming commission is not bound by the recommendation of the historic preservation commission.

SECTION 48. IC 36-7-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 24. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.**

(b) In addition to the commission's other powers set forth in this chapter, the commission may do the following:

(1) Enter contracts to carry out the commission's duties under section 23 of this chapter, including contracts for the construction, maintenance, operation, and management of a

C
o
p
y



riverboat to be operated in the historic district under IC 4-33.

(2) Provide recommendations to the Indiana gaming commission concerning the operation and management of a riverboat to be operated in the historic district under IC 4-33.

(c) This section may not be construed to limit the powers of the Indiana gaming commission with respect to the administration and regulation of riverboat gaming under IC 4-33.

SECTION 49. IC 36-7-11.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 11.4. Community Trust Fund

Sec. 1. This section applies to a historic district established by IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "fund" refers to the community trust fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission described in IC 36-7-11-4.5.

Sec. 4. (a) The community trust fund is established.

(b) The fund consists of the following:

- (1) Money disbursed from the historic preservation commission.
- (2) Donations.
- (3) Interest and dividends on assets of the fund.
- (4) Money transferred to the fund from other funds.
- (5) Money from any other source.

Sec. 5. (a) The historic preservation commission shall manage and develop the fund and the assets of the fund.

(b) The historic preservation commission shall do the following:

- (1) Establish a policy for the investment of the fund's assets.
- (2) Perform other tasks consistent with prudent management and development of the fund.

Sec. 6. (a) Subject to the investment policy of the historic preservation commission, the fiscal agent appointed by the historic preservation commission shall administer the fund and invest the money in the fund.

(b) The expenses of administering the fund and implementing this chapter shall be paid from the fund.

(c) Money in the fund that is not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds are invested. Interest that accrues from these investments shall be deposited in the fund.

C
O
P
Y



(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 7. (a) The historic preservation commission has the sole authority to allocate money from the fund for the following purposes:

(1) The preservation, restoration, maintenance, operation, and development of the French Lick historic resort hotel.

(2) The preservation, restoration, maintenance, operation, and development of the West Baden historic resort hotel.

(3) Infrastructure projects and other related improvements in the surrounding community.

(b) Money allocated under subsection (a)(1) and (a)(2) must be divided equally between the two (2) historic resort hotels.

Sec. 8. The historic preservation commission shall prepare an annual report concerning the fund and submit the report to the legislative council before October 1 of each year. The report is a public record.

SECTION 50. [EFFECTIVE JULY 1, 2003] (a) The Indiana gaming commission shall adopt the emergency rules required under IC 4-31-7.5-3, as added by this act, before January 1, 2004.

(b) This SECTION expires January 31, 2004.

SECTION 51. [EFFECTIVE JULY 1, 2003] (a) If the Indiana gaming commission determines that a permit holder has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing a permit holder to sell pari-mutuel pull tabs under IC 4-31-7.5, as added by this act. The commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.

(b) This SECTION expires December 31, 2003.

C
o
p
y

